Common Reporting Errors

Average Consolidated Total Assets

1. The instructions for Line 4 of Schedule RC-O provide that Consolidated Total Assets used in determining the Daily or Weekly averages should be measured in accordance with the instructions for Schedule RC-K, Line 9. Instruction for RC-K, Line 9, the Average Total Assets should be on the same basis as Schedule RC, Line 12, except for:
    a. All debt securities (not held for trading) at amortized cost, and
    b. Available-for-sale equity securities with readily determinable fair values at the lower of cost or fair value; and
    c. To the extent that net deferred tax assets included in the bank's total assets include the deferred tax effects of any unrealized holding gains and losses on available-for-sale debt securities, these deferred tax effects may be excluded from the determination of the quarterly average for total assets.

2. There are some general ledger account balances that should be reclassified from a liability to an asset (or from an asset to a liability) in preparing the Call Report. These non-traditional balances should be reclassified prior to the completion of Call Report information, as they inappropriately decrease an institution's total asset balance.

3. There are also some institutions that are aggregating their tax accounts (e.g., deferred taxes with federal and state obligations). Obligations can be aggregated with a resulting debit balance reported as an asset or credit balance reported as a liability (e.g., all deferred tax accounts may be netted, federal and state obligations should be reported separately from deferred taxes and from each other).

Average Tangible Equity (ATE)

1. *There are two acceptable Average Tangible Equity (ATE) methods:*
    a. The average method based on taking the sum of the amounts of Tier 1 Capital for "each month-end date" during the calendar quarter and dividing by three; or
    b. The quarter-end method based on the amount of Tier 1 capital as of the quarter-end date.

2. *The proper averaging method for institutions are:*
    a. The quarter-end method is only available to institutions which, a) reported less than $1 billion in consolidated total assets, on Schedule RC, item 12, as of March 31, 2011; b) were FDIC-insured on or before March 31, 2011; and c) have not reported average consolidated total assets of $1 billion or more on Schedule RC-O, item 4 for two consecutive quarters since March 31, 2011.)
    b. Institutions that report more than $1 billion in total assets are required by the instructions to use the three month-end average method

Merger/Acquisition

1. Assets
    a. If the reporting institution is the ***surviving*** or resulting institution in a merger or consolidation that occurred during the calendar quarter, the reporting institution should calculate its average consolidated total assets by including the consolidated total assets of all entities that were merged or consolidated into the reporting institution as if the merger or consolidation occurred on the first day of the calendar quarter.

b. If the reporting institution was ***acquired*** in a transaction that became effective during the calendar quarter, the reporting institution should calculate its average consolidated total assets as if the acquisition occurred on the first day of the calendar quarter.

2. Tangible Equity
   a. If the reporting institution is the ***surviving*** or resulting institution in a merger or consolidation that occurred after the end of the first month of the calendar quarter and it reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the merger or consolidation occurred on the first day of the quarter.
   b. If the reporting institution was ***acquired*** in a transaction that became effective after the end of the first month of the calendar quarter, the reporting institution should calculate its average tangible equity as if the acquisition occurred on the first day of the calendar quarter.